

CHARTER TOWNSHIP OF DELTA
Public Meeting Room A
Delta Township Administration Building
7710 West Saginaw Highway
Lansing MI 48917

**TOWNSHIP BOARD SPECIAL MEETING MINUTES FOR
MONDAY, OCTOBER 26, 2009**

I. CALL TO ORDER

Supervisor Ken Fletcher called the meeting to order at 6:00 p.m.

II. OPENING CEREMONIES – Pledge of Allegiance

III. ROLL CALL

Members Present: Supervisor Ken Fletcher, Clerk Janice Vedder,
Treasurer Pizzo, Trustees Jan Cunningham, Jeff Hicks, Barb
Poma, and Cara Spagnuolo

Members Absent: None

Others Present: Manager Richard Watkins and Finance Director Jeff Anderson

IV. DISCUSSION ITEM

Draft of the 2010 Township Budget

Doug Kosinski, 7305 Glen Terra Drive, questioned where the funds for the Township's share of the Michigan Avenue Extension had been allocated in the Township's 2010 Budget.

It was noted that the budget contained a line item for capital outlay activities for roads in which \$345,000 had been allocated for the Michigan Avenue Extension.

Supervisor Fletcher said since the Board had discussed the proposed 2010 budget, there had been changes in revenue sharing for the next fiscal year and that the Township would experience an additional reduction of \$140,000 beyond what had originally been anticipated. He noted that health insurance premiums had increased 12.4% which was a \$28,000 increase from what the Township had anticipated.

Mr. Anderson addressed the Township's current obligation for at-large storm drain assessments to Eaton County by laying out the Township's obligation and recommendations for potential payoffs. He noted that the Township was paying 5% to 6% interest on storm drain assessments, but the Township was only earning

approximately 1% interest on its money at the present time. Mr. Anderson indicated that paying off the drain assessments with high interest rates would result in a potential savings of \$255,000 in net interest costs. He said in addition, by paying off the drain assessments in 2009, the Township would save approximately \$133,000 in next year's budget.

Treasurer Pizzo said he supported the proposal and felt it was a smart way to use the Township's fund balance by reducing future budget needs. He felt the Township needed to be careful in how it spent its reserve, but he felt this was a wise choice in terms of moving forward.

The following is a list of storm drain assessments recommended for payoff:

<u>12/1/09 Payoff</u>	<u>Future Interest Savings</u>	<u>2010 Budget Savings</u>
Delta Section 17 - \$273,600	\$143,047	\$31,084
Williamsburg – \$ 74,025	\$ 15,555	\$15,017
Lazell – \$156,422	\$ 21,729	\$49,970
Upton – \$ 90,000	\$ 32,662	\$12,941
Watson/Garfield – <u>\$153,332</u>	<u>\$ 42,168</u>	<u>\$23,767</u>
\$747,379	\$255,161	\$132,779

Mr. Anderson noted that the budget would be amended to reflect the changes in the outlay for storm drains.

Mr. Watkins said at the beginning of the year, the Township established an employee committee to look at different options in health insurance and how the Township would meet those obligations in the future. He noted that the Committee worked with the Township's consultant and had recommended to utilize a higher deductible along with an HRA plan where the Township would fund the savings into separate employee accounts. He noted that the Township would fund 100% of the high deductible through the HRA plan that would save the Township a minimum of \$80,000 a year with a potential savings of up to \$250,000. He noted there wouldn't be any changes to the benefits currently offered to the employees and that this plan provided the Township a way of meeting rising costs in the future. Mr. Watkins noted that the Township reviewed its current health insurance plan on a yearly basis and were actually able to keep this year's costs for health insurance at the same level as they were the previous year. He said it was the Township's plan to level the Township's health insurance costs over the next three to five years without reducing benefits to the employees.

Clerk Vedder inquired about the procedures that would be needed to administer the new plan.

Mr. Anderson noted that the Township's Consultant had recommended a company out of Southfield, Michigan to administer the plan for the Township. He noted that the Committee had also recommended that a wellness program be initiated along with the health plan. Mr. Anderson noted that approximately 25% of the Township's employees who were hired after 2005 were paying 10% of their premiums and under the new plan, those employees would pay approximately \$400.00 less than they currently paid.

Mr. Watkins noted that the Township was estimating a savings of approximately \$250,000 a year but based on the industry's averages, he felt the Township would save additional monies which could help fund a wellness program for the employees.

It was the consensus of the Board to move forward and implement the changes to the health care plan and seek a recommendation from the Committee regarding the implementation of a wellness plan.

Board members Pizzo and Poma addressed the Township's need for an aggressive economic development program and diversification. It was felt that the Board needed to reconsider the prior recommendation of not filling the vacancy in the Manager's Office and that monies be allocated in the 2010 budget to fill the position with a full-time economic development person.

Mr. Watkins said the Township had always been active in promoting economic development and diversification. He noted that filling the position would allow the Township to focus more attention on economic development.

The general consensus of the Board was to allocate monies in the budget to fill the vacant position in the Manager's office and that further research was needed on the manner in which the position would be filled focusing on economic development.

At the last budget meeting, the Board had expressed concern with the term "performance indicators" as a means of measuring the accomplishments and objectives of department heads and the Board.

General discussion ensued and it was the general consensus of the Board to use the strategic plan as a performance indicator where the strategic plan could be reviewed at the end of the year as a guide of what the Board had accomplished and what the goals were for the following year.

Treasurer Pizzo felt it was important for the public to know that the Board was committed to maintaining current service levels and a balanced budget. In an effort to show the Board's willingness to make sacrifices themselves, he would like to propose that the Board consider reducing their wages by 5% by 2010.

Trustee Hicks felt Treasurer's Pizzo's position was very clear on this matter. He said this matter had been discussed on numerous occasions, but had not received unanimous support. He felt the savings the Township would experience by reducing the Board's wages would be negligible.

Trustee Poma indicated that she would be willing to further discuss Treasurer Pizzo's 5% proposal.

Supervisor Fletcher said the original proposal that had been discussed was a 10% pay cut for the Board which did not receive support. He felt Treasurer Pizzo was proposing a lower dollar amount this evening.

Trustee Cunningham said she would agree with Treasurer Pizzo if the Board had cut employee wages, but rather all of the employees received a cost of living increase. She felt serving on the Board could be considered a volunteer position when you consider the time and effort put in by Board members. She noted that the Board had discussed this issue in the past and that it may be something the Board may want to revisit in the future, but she was not in support of the proposal at this time.

Mr. Watkins said he would be meeting with Steve Webster from Michigan State University on November 9th regarding the rock group U2 performing at Spartan Stadium on June 30. He noted that Mr. Webster wanted to meet with several of the managers in the area regarding the logistics of the event. He noted that he would be attending a MEGA board meeting tomorrow morning regarding the Auto-Owners development.

V. ADJOURNMENT

Supervisor Fletcher adjourned the meeting at 8:20 p.m.

CHARTER TOWNSHIP OF DELTA

JANICE VEDDER, TOWNSHIP CLERK

KENNETH FLETCHER, TOWNSHIP SUPERVISOR